

ORIGINAL



BEFORE THE ARIZONA CORPORATION COMMISSION

19

**COMMISSIONERS** 2007 APR 16 A 11:44  
MIKE GLEASON, Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER AZ CORP COMMISSION  
KRISTIN K. MAYES DOCUMENT CONTROL  
GARY PIERCE

Arizona Corporation Commission  
**DOCKETED**

APR 16 2007

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF  
CAVE CREEK WATER COMPANY FOR AN  
EXTENSION OF ITS EXISTING CERTIFICATE  
OF CONVENIENCE AND NECESSITY.

Docket No. W-01452A-06-0449

**REQUEST FOR ADMINISTRATIVE  
CLOSURE**

Cave Creek Water Company ("Company") respectfully requests that this case be administratively closed. This case is an application for extension of the Company's CC&N. The Company's utility assets have been condemned by the Town of Cave Creek ("Town"). Attached as Exhibit A is a Stipulated Final Judgment in Condemnation, and attached as Exhibit B is the Stipulated Order for Immediate Possession. The attachments to these orders have been omitted, as they are voluminous, but the attachments are available upon request. Both orders were issued by the Superior Court on March 7, 2007. The Stipulated Final Judgment orders that "the Certificate of Convenience and Necessity of Defendant Cave Creek Water Company... is hereby extinguished and the status of the Defendant Cave Creek Water Company as a public service corporation is hereby terminated." All utility services formerly provided by the Company are now provided by the Town. In light of this, and the termination of the Company's CC&N by the court, this case is moot. Accordingly, the Company requests that this case be administratively closed.

...

...

...


...

...

ROSHKA DEWULF & PATTEN, PLC  
ONE ARIZONA CENTER  
400 EAST VAN BUREN STREET - SUITE 800  
PHOENIX, ARIZONA 85004  
TELEPHONE NO 602-256-6100  
FACSIMILE 602-256-6800

1 RESPECTFULLY SUBMITTED this 16<sup>th</sup> day of April 2007.

2 ROSKA DEWULF & PATTEN, PLC

3  
4  
5 By   
6 Michael W. Patten  
7 Timothy J. Sabo  
8 One Arizona Center  
9 400 East Van Buren Street, Suite 800  
10 Phoenix, Arizona 85004

11 Original + 13 copies of the foregoing  
12 filed this 16<sup>th</sup> day of April 2007, with:

13 Docket Control  
14 ARIZONA CORPORATION COMMISSION  
15 1200 West Washington  
16 Phoenix, Arizona 85007

17 Copies of the foregoing hand-delivered/mailed  
18 this 16<sup>th</sup> day of April 2007, to:

19 Lyn A. Farmer, Esq.  
20 Chief Administrative Law Judge  
21 Hearing Division  
22 Arizona Corporation Commission  
23 1200 West Washington Street  
24 Phoenix, Arizona 85007

25 Christopher C. Kempley, Esq.  
26 Chief Counsel, Legal Division  
27 Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Ernest G. Johnson, Esq.  
Director, Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Marvin Cohen, Esq.  
Sacks Tierney PA  
4250 North Drinkwater Blvd 4<sup>th</sup>  
Scottsdale, Arizona 85251



**EXHIBIT  
A**

**CERTIFIED COPY**

MORRILL & ARONSON, P.L.C.  
ATTORNEYS AT LAW  
ONE EAST CAMELBACK  
SUITE 340  
PHOENIX, ARIZONA 85012  
TELEPHONE (602) 263-8993

Martin A. Aronson - 009005  
John T. Moshier - 007460  
Robert J. Moon - 019909  
Attorneys for Defendants Cave Creek Water Co.,  
Pacer Equities Co., and Global Water  
Resources, LLC

FILED  
37-07 9:45am  
MICHAEL K. JEANES, Clerk  
By L. Gilbert  
Gilbert, Deputy

**IN THE SUPERIOR COURT OF THE STATE OF ARIZONA  
IN THE COUNTY OF MARICOPA**

TOWN OF CAVE CREEK, a municipal  
corporation of the State of Arizona,

Plaintiff,

v.

CAVE CREEK WATER CO., an Arizona  
corporation; PACER EQUITIES CO., haste  
Arizona corporation; GLOBAL WATER  
RESOURCES, LLC, a Delaware limited  
liability company; COUNTY OF  
MARICOPA, a political subdivision of the  
State of Arizona; OCOTILLO RIDGE  
ESTATES HOMEOWNERS'  
ASSOCIATION, an Arizona corporation;  
OCOTILLO RIDGE ESTATES, LLC, an  
Arizona limited liability company; DESERT  
FOOTHILLS LAND TRUST, INC., an  
Arizona non-profit corporation; WELLS  
FARGO BANK, NATIONAL  
ASSOCIATION, a national banking  
association AS THE SUCCESSOR IN  
INTEREST TO FIRST INTERSTATE  
BANK OF ARIZONA, N.A., a national  
banking association; CENTURY BANK, an  
Arizona corporation; JP MORGAN CHASE  
BANK, a national banking associations AS  
THE SUCCESSOR IN INTEREST TO THE  
VALLEY NATIONAL BANK OF  
ARIZONA, a national banking association;  
JOHN DOES 1 through 10, and BLACK  
AND WHITE PARTNERSHIP 1 through 10,

Defendants.

No. CV2005-005882

**STIPULATED FINAL JUDGMENT  
IN CONDEMNATION**

(Assigned to the Honorable  
Ruth H. Hilliard)

1 Pursuant to the Stipulation of Plaintiff Town of Cave Creek ("Town") and  
2 Defendants Cave Creek Water Company, Pacer Equities Company and Global Water  
3 Resources, LLC ("Water Company Defendants"), and good cause appearing therefor,

4 IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

- 5 1. That the Town and the Water Company Defendants have entered into a  
6 Settlement Agreement and Release, including the Bargain Sale Agreement  
7 with Schedules and Exhibits ("Settlement Agreement with Exhibits"), all of  
8 which are attached as Exhibit A and which are incorporated by this reference  
9 as part of the Judgment of this Court.
- 10 2. That Plaintiff Town of Cave Creek have Judgment condemning the assets and  
11 real property interests (collectively "Assets") of Defendants Cave Creek Water  
12 Company and Pacer Equities Company, as defined in Section 3.1.4 of the  
13 attached Bargain Sale Agreement between those same parties.
- 14 3. That the attached Exhibits B-1 and B-2, which are also incorporated by this  
15 reference, describe the area of the Certificate of Convenience and Necessity  
16 issued by the Arizona Corporation Commission to Defendant Cave Creek  
17 Water Company. As requested in the prayer for relief in the First Amended  
18 Complaint, the Certificate of Convenience and Necessity of Defendant Cave  
19 Creek Water Company for the areas described on Exhibits B-1 and B-2, (and  
20 for any other areas within Maricopa County, if any), is hereby extinguished  
21 and the status of the Defendant Cave Creek Water Company as a public  
22 service corporation is hereby terminated.
- 23 4. That the Town shall pay the total amount of \$19,500,000.00, plus interest,  
24 subject to adjustment, as set forth in the Settlement Agreement with Exhibits  
25 attached as Exhibit A. The payment terms and the interest to be paid shall be  
26 controlled by the Settlement Agreement with Exhibits attached as Exhibit A,  
27 which shall supercede and control any and all statutory rates of interest or other  
28 payment requirements of the relevant Arizona statutes and other law.

- 1           5.     Except as set forth in this Stipulated Judgment and the Settlement Agreement  
2                 with Exhibits, no other sums shall be due to any Defendants to satisfy this  
3                 Judgment. Furthermore, each party shall bear its own attorneys' fees, costs,  
4                 and expenses in connection with this action, unless the Town does not timely  
5                 satisfy this Judgment according to the provisions of the Settlement Agreement  
6                 with Exhibits.
- 7           6.     Upon timely receipt of full payment as required by the Settlement Agreement  
8                 with Exhibits, the Water Company Defendants shall file a Satisfaction of  
9                 Judgment and then the Court shall enter a Stipulated Final Order of  
10                Condemnation vesting in the Town title in the Assets, which Assets shall then  
11                not be subject to or encumbered by any existing, past, or future rights, liens,  
12                claims or other encumbrances, but rather shall then be superior to any such  
13                rights, liens, claims or other encumbrances except as provided in the  
14                Settlement Agreement with Exhibits.
- 15          7.     That this Stipulated Final Judgment, including the provisions of the Settlement  
16                 Agreement with Exhibits, constitutes a final determination as to all issues  
17                 raised in the Town's First Amended Complaint and all matters pertaining to  
18                 damages and compensation due for the taking of the Assets.
- 19          8.     That other than the Parties named in this action, no other person, partnership,  
20                 corporation or other entity has any right, title or interest in and to the Assets.
- 21          9.     In the event that the Town does not make timely full payment, as set forth in  
22                 the Settlement Agreement with Exhibits, then the Water Company Defendants,  
23                 in their sole and absolute discretion, may elect either: (a) to execute upon and  
24                 collect the money compensation owed under this Stipulated Judgment,  
25                 including all interest, all as set forth in the Settlement Agreement with  
26                 Exhibits; or (b) to retake possession and control (without any claim to, or  
27                 encumbrance upon, or cloud upon title thereto, by the Town or any other party)  
28                 of the Assets (and also to any improvements or additional assets then used in

1 conjunction with the Assets for the operation of the water utility) and also to  
2 collect all damages, including but not limited to abandonment damages and  
3 attorneys' fees and legal expenses arising out of the Town's breach of the  
4 Settlement Agreement with Exhibits.

5 10. That Defendant Ocotillo Ridge Estates Homeowners' Association, an Arizona  
6 corporation, was adjudged and declared to have no right or interest in the  
7 property described in the First Amended Complaint pursuant to a Judgment by  
8 Default entered by the Court on September 14, 2006.

9 11. That Defendant Ocotillo Ridge Estates, LLC, an Arizona limited liability  
10 company, was dismissed by Order of this Court dated February 27, 2006,  
11 based upon Plaintiff's Notice of Voluntary Dismissal of that same Defendant.

12 12. That Defendant Desert Foothills Land Trust, Inc., an Arizona non-profit  
13 corporation, was adjudged and declared to have no right or interest in the  
14 property described in the First Amended Complaint pursuant to a Judgment by  
15 Default entered by the Court on September 14, 2006.

16 13. That Defendant Wells Fargo Bank, National Association, a national banking  
17 association, as the successor-in-interest to First Interstate Bank of Arizona,  
18 N.A., a national banking association was dismissed by Order of this Court  
19 dated February 27, 2006, based upon Plaintiff's Notice of Voluntary Dismissal  
20 of that same Defendant.


21 14. That Defendant Harris Trust, as successor-in-interest to Defendant Century  
22 Bank, an Arizona corporation, filed a Disclaimer of Interest with this Court on  
23 or about March 2, 2007, such that Defendant Century Bank has no right or  
24 interest in the property described in the First Amended Complaint.

25 15. That Defendant JP Morgan Chase Bank, a national banking association as the  
26 successor-in-interest to the Valley National Bank of Arizona, a national  
27 banking association, was adjudged and declared to have no right or interest in  
28 the property described in the First Amended Complaint pursuant to a Judgment

1 by Default entered by the Court on September 14, 2006.

2 16. That Defendant Maricopa County, a political subdivision of the State, filed a  
3 Disclaimer of Interest with this Court on or about March 2, 2007, such that  
4 Defendant Maricopa County has no right or interest in the property described  
5 in the First Amended Complaint.

6  
7 DONE IN OPEN COURT this 7<sup>th</sup> day of March, 2007.

8  
9  
10   
11 Ruth H. Hilliard  
12 Maricopa County Superior Court Judge  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

The foregoing instrument is a full, true and correct copy  
of the original document.

Attest March 7 2007  
MICHAEL K. JEANES, Clerk of the Superior Court of the  
State of Arizona, in and for the County of Maricopa.

By S. J. Hilliard Deputy

CERTIFIED COPY

MORRILL & ARONSON, P.L.C.  
ATTORNEYS AT LAW  
ONE EAST CAMELBACK  
SUITE 340  
PHOENIX, ARIZONA 85012  
TELEPHONE (602) 263-8993

Martin A. Aronson - 009005  
John T. Moshier - 007460  
Robert J. Moon - 019909  
Attorneys for Defendants Cave Creek Water Co.,  
Pacer Equities Co., and Global Water  
Resources, LLC

FILED  
3-7-07 9:48am  
MICHAEL K. JEANES, Clerk  
By L. Gilbert  
L. Gilbert, Deputy

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA  
IN THE COUNTY OF MARICOPA

TOWN OF CAVE CREEK, a municipal  
corporation of the State of Arizona,

No. CV2005-005882

Plaintiff,

STIPULATED ORDER FOR  
IMMEDIATE POSSESSION

v.

CAVE CREEK WATER CO., an Arizona  
corporation; PACER EQUITIES CO., haste  
Arizona corporation; GLOBAL WATER  
RESOURCES, LLC, a Delaware limited  
liability company; COUNTY OF  
MARICOPA, a political subdivision of the  
State of Arizona; OCOTILLO RIDGE  
ESTATES HOMEOWNERS'  
ASSOCIATION, an Arizona corporation;  
OCOTILLO RIDGE ESTATES, LLC, an  
Arizona limited liability company; DESERT  
FOOTHILLS LAND TRUST, INC., an  
Arizona non-profit corporation; WELLS  
FARGO BANK, NATIONAL  
ASSOCIATION, a national banking  
association AS THE SUCCESSOR IN  
INTEREST TO FIRST INTERSTATE  
BANK OF ARIZONA, N.A., a national  
banking association; CENTURY BANK, an  
Arizona corporation; JP MORGAN CHASE  
BANK, a national banking associations AS  
THE SUCCESSOR IN INTEREST TO THE  
VALLEY NATIONAL BANK OF  
ARIZONA, a national banking association;  
JOHN DOES 1 through 10, and BLACK  
AND WHITE PARTNERSHIP 1 through 10,

(Assigned to the Honorable  
Ruth H. Hilliard)

Defendants.

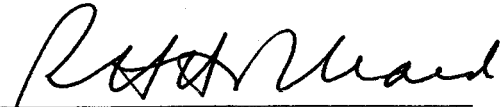


1 Pursuant to Stipulation of the relevant parties, and good cause appearing therefor,  
2 IT IS HEREBY ORDERED that the Plaintiff Town of Cave Creek shall have  
3 immediate possession, as of the date of this Order, of the assets and real property interests  
4 ("Assets") of Defendant Cave Creek Water Company and Defendant Pacer Equities  
5 Company, as described on the attached Exhibit A, which is incorporated by this reference.

6 It is further ordered that this Stipulated Order of Immediate Possession is being  
7 entered in conjunction with the Stipulated Judgment submitted by and stipulated to by the  
8 Town of Cave Creek, Cave Creek Water Company, Pacer Equities Company and Global  
9 Water Resources, LLC on this same date, including as exhibits the Settlement Agreement  
10 and Release with the Bargain Sale Agreement and schedules and exhibits thereto between  
11 those same parties ("Stipulated Judgment with Exhibits").

12 It is further ordered that this Stipulated Order of Immediate Possession shall be  
13 effective immediately, as of the date of this Order, in accordance with the terms of the  
14 Stipulated Judgment with Exhibits regarding payments by the Town to the Water Company  
15 Defendants, without the deposit of any additional sums above and beyond the payments  
16 and schedule for such payments in the Stipulated Judgment with Exhibits. So, it is further  
17 ordered that the cash bond and other requirements of A.R.S. § 12-1116, and any other  
18 relevant statutory provisions or other legal requirements regarding possession of the Assets,  
19 are hereby superceded and controlled by the Stipulated Judgment with Exhibits.

20 DONE IN OPEN COURT this 7<sup>th</sup> day of March, 2007.

21   
22 Ruth H. Hilliard  
23 Maricopa County Superior Court Judge  
24  
25  
26  
27  
28

The foregoing instrument is a full, true and correct copy  
of the original document.

Attest March 7 20 07  
MICHAEL K. JEANES, Clerk of the Superior Court of the  
State of Arizona, in and for the County of Maricopa.

By J. Gulland Deputy